

THE PERSONAL, THE POLITICAL AND THE PROFITABLE

Business and Protest Culture, 1960s–1980s



By Benjamin C. Waterhouse

IN THE FALL OF 1964, students at the University of California at Berkeley launched a series of sit-ins, walk-outs and rallies to protest the university's policy prohibiting political activism on campus grounds. Young people, joined by like-minded allies in the area, clashed with police and challenged the authority of university administrators and the political establishment that ran the university system. Berkeley's "free speech movement" rocked the campus and drew national attention.

Although university leaders eventually modified their position on campus speech, the firestorm of activism persisted and inspired national protests in the years to come. The critiques that the Free Speech Movement leveled at the University of California extended far beyond specific policies, reflecting instead a fundamental—and generational—challenge to the power structure that defined American society.

Specifically, students called out their educational leaders for complicity in an anti-democratic, dehumanizing corporate machine that compelled conformity. At a campus rally, Berkeley student and civil rights activist Mario Savio gave voice to the sense of oppression and helplessness many young people felt in the early 1960s.

"We have an autocracy which runs this university," Savio declared. Student leaders had asked whether Berkeley's president, Clark Kerr, had convinced the university's Board of Regents to liberalize the school's policies on political activism. Savio continued: "And the answer we received—from a well-meaning liberal—was the following: He said, 'Would you ever imagine the manager of a firm making a statement publicly in opposition to his board of directors?' That's the answer!"

Savio seized on that comparison between higher education and the faceless, bureaucratic corporation.

"Now, I ask you to consider: if this is a firm, and if the Board of Regents are the board of directors and if President Kerr in fact is the manager, then I'll tell you something: the faculty are a bunch of employees, and we're the raw material!"

Savio's analogy—which saw the university as a corporate machine and students as raw materials who had thrown their

bodies upon its inner workings—grew from a profound sense of unease over the role of business corporations in American society. Political activists in the 1960s—from civil rights advocates to anti-war protesters to more radical and often violent groups such as the Weather Underground—viewed the business corporation as an integral part of the "establishment" that crippled dissent, promoted imperialism abroad and injustice at home, and stifled free expression. Never removed from issues of war and social justice, business was at the heart of the tumult of the 1960s.

Corporate executives came to understand the very real threats to their political power, social standing and economic success that political and social unrest augured. Business leaders responded to what they believed were "anti-business" politics in the 1960s and well into the 1970s with deliberate action to bolster their support and institutionalize their influence with policymakers. Powerful businesspeople had always played an important role in national affairs, but the turmoil of the 1960s and 1970s created a particularly powerful moment of mobilization that, combined with a burgeoning conservative political movement, had long-lasting consequences for American politics.

Business and Protest in the Late 1960s

The social unrest that engulfed the United States had its roots in the civil rights struggle, whose "high phase" of in-the-streets activism peaked between the mid-1950s and the 1965 Voting Rights Act. By the late 1960s, the country had been rocked by an onslaught of public protests, riots and political assassinations.

America's official military involvement in Vietnam developed over the course of the late 1950s and early 1960s. By 1968, half a million American soldiers were fighting in Southeast Asia, where 58,000 would die before the United States withdrew completely in 1973.

The escalation of the war prompted a powerful and pointed antiwar movement in the United States, spreading from college campus "teach-ins" to historic protests and marches on the Pentagon and White House. Just as Savio had linked his opposition to Berkeley's anti-free speech policy to a larger critique of corporate culture, so too did many Vietnam War protesters draw

a clear line between a war they decried as murderous and imperialistic and the business climate that nurtured it.

Invoking Eisenhower's now-famous warning about the "military-industrial complex," protesters charged that America's most successful capitalists bore responsibility for the carnage in Asia. The nation's war machine, they argued, generated military contracts for everything from ammunition and aircraft to the napalm that US bombers poured on the Vietnamese jungles and the people who lived there.

Antiwar demonstrators aimed their protests not only at the military and the government, but also at corporations whom they labeled as war profiteers. "Why...do we continue to demonstrate in Washington as if the core of the problem lay there? We need to find ways to lay siege to corporations," one activist wrote late in 1969.

On April 28, 1970, thousands of antiwar activists converged on the annual shareholder meeting of the Honeywell Corporation, an energy-oriented conglomerate that manufactured, among many other products, cluster bombs and other weapons for the Pentagon. Facing the jeers and accusations of murderous complicity from the furious crowd, Honeywell's president adjourned the meeting after only 14 minutes. Firms such as Dow Chemical Company, producer of napalm, also confronted angry protesters, especially when their corporate recruiters arrived on college campuses.

Perhaps most tellingly, anti-war protesters even targeted corporations, such as banks, that lacked any explicit connection to Vietnam but represented the entire system that put profit before people. In the winter of 1970, protesters near the University of California in Santa Barbara burned down a branch of Bank of America, whose very name, at least to the arsonists, evoked the hubris of capitalist imperialism.

Corporate and political leaders understood that the antiestablishment angst was particularly strong among young people. In recent years, historians have shown that plenty of the "baby boomers" who came of age in the 1960s were quite conservative and favored the war, the business establishment and capitalism in general, but many corporate executives at the time were convinced that generational changes were afflicting the nation's youth *en masse*. The same types of college students who, in the 1950s, headed to stable careers in middle

Mario Salvo addresses a rally at the University of California at Berkeley, 1965.



Bettmann

Consumer advocate Ralph Nader testifies at a Senate hearing, 1967.

management were, by the late 1960s, committed to upending the society that had nurtured them, taking over college campuses, organizing protests and boycotts, or rejecting traditional society altogether.

At the same time, corporate executives understood the degree to which they and their businesses had become the scapegoats for dissatisfied and disaffected youth. Public approval of business as a social institution, particularly among young people, declined throughout the war-torn years of the late 1960s and early 1970s. In one commonly-cited 1973 survey of students at Oklahoma Christian University—by all counts a conservative place far from radical hotbeds such as Berkeley or Columbia—undergraduates gave businessmen the lowest ranking for ethical standards of all major groups of leaders in the country.

Business's Countermobilization

“The American capitalist system is confronting its darkest hour,” one corporate executive declared in 1975. He wasn’t alone. By the mid-1970s, a refrain echoed across corporate America—from top executives to small shop owners, from conservative politicians and attorneys to journalists and academics. The onslaught

of social regulations, anti-capitalist culture and a struggling economy (the boom of the 1960s ended with a recession in 1970, followed by a prolonged energy crisis marked by high inflation and slack growth) meant that business was under attack. To defend their bottom lines and capitalism itself, business leaders had to strike back.

In 1971, a corporate lawyer named Lewis Powell—soon to become a Supreme Court justice—gave voice to this rising demand for a political countermobilization with a confidential memo to the US Chamber of Commerce. A well-connected attorney in Virginia and former president of the American Bar Association, Powell wrote the memo at the request of his friend Eugene Sydnor, who owned a chain of department stores and chaired the Chamber’s “Education Committee.”

The document, called “Attack on American Free Enterprise System,” explained the widespread belief that anti-capitalist forces—from the universities to the pulpits to public-interest law firms—were waging a cultural assault on business, and that groups such as the Chamber of Commerce had no choice but to become politically active. “Business,” Powell wrote, “must learn the lesson, long ago learned by labor and other self-interest groups...

that political power is necessary...and that...it must be used aggressively and with determination.”

Powell’s memo crystallized the growing sense that collective action by business was essential. Circulated throughout the Chamber of Commerce, the “confidential” memo landed on the desks of conservative writers and public figures, and snippets from it peppered the speeches of pro-business activists. About a year after Powell wrote it, and nine months after Richard Nixon appointed him to the Supreme Court, the liberal *Washington Post* columnist Jack Anderson learned of the memo and “outed” Powell, implying that the document represented a subversive plan by high-powered businesspeople to take control of American politics. In reality, Powell’s contribution was more rhetorical than conspiratorial. He put into words what many people had been saying privately for years: Businesspeople had to become more involved in national politics. But how?

In addition to holding political office, there were two primary avenues for effecting real influence in national affairs: funding political campaigns, and direct and focused lobbying. American companies dramatically expanded their use of both strategies in the 1970s.

In the early 1970s, Congress overhauled the laws governing campaign finance contributions. The federal government had regulated campaign giving to various degrees since the Tillman Act of 1907, which barred corporations and unions from donating to political campaigns on the rather explicit grounds that they were not humans. Yet both businesses and unions had found end-runs around the law, the latter by creating political action committees (PACs) as early as the 1940s. Early PACs existed on the margins of legality, and while organized labor relied on political clout to avoid trouble, corporations generally did not form them. Instead, with minor exceptions, businesspeople preferred other, less official ways to skirt the campaign finance laws. Executives, for example, routinely arranged for special bonuses to top managers, with the clear expectation that those managers would donate their windfall to the candidate of the corporation's choice.

In the 1970s, a coalition of lawmakers worked to reform the campaign finance system following the Watergate scandal. Congress created the Federal Election Commission (FEC) and a system for public campaign financing, instituted reporting requirements and limited expenditures.

In 1975, the FEC clarified that political action committees were legally legitimate, and an explosion in corporate-backed political action committees followed. Between 1974 and 1979, the number of business PACs increased ten-fold, from 89 to 950. By 2016, the FEC counted 1,621 political action committees affiliated with businesses.

In addition to engaging in campaign financing, businesses also mobilized in the 1970s by hiring talented people to represent their interests to government officials. Lobbying is an ancient profession, and corporations had a long history of paying well-connected people to sway politicians their way, but the presence of paid lobbyists followed the growth patterns of American business itself. The railroad boom of the mid-19th century, which depended on government largesse, led to an uptick in lobbying, as did industrial manufacturing in the following decades. As American companies became larger and more diversified, particularly after World War II, they became more sophisticated in their lobbying capacity. By the 1960s, most big firms had "Washington representatives"—paid permanent employees who

lived in Washington and lobbied on their company's behalf.

But small and mid-sized firms couldn't afford permanent lobbyists. Instead, they relied on trade associations to represent the general interests of their industry. Grocery stores might join the National Grocers Association, for example. With the proliferation of trade associations in the 20th century, including such pan-industry "peak associations" as the National Association of Manufacturers and the US Chamber of Commerce, a legal conflict began to emerge. On one hand, the First Amendment protected the right to free speech and to "petition the government for a redress of grievances," as lobbyists do. On the other, the Sherman Antitrust Act of 1890 prohibited "any conspiracy in restraint of trade."

Many businesspeople worried that certain types of lobbying might push trade associations over a legal line. In the early 1970s, the Supreme Court ruled that the First Amendment speech and petition protections superseded the question of restraining trade. Those rulings gave trade associations far more latitude to represent multiple businesses within an industry, and the amount of trade association lobbying increased markedly.

Leading the charge of coordinating collaborations across companies, and sometimes across industries, were major national associations that had been around for decades. Both the National Association of Manufacturers and the US Chamber of Commerce responded to this new culture of business activism by reinvigorating themselves and broadening their activities. They expanded their political purview to include a broader array of issues—rather than just concentrating on organized labor and workplace issues, they lobbied for and against issues related to consumer protection, environmental regulation, foreign trade, tax policy and policies concerning inflation and unemployment.

A new force also emerged to unify the nation's largest and wealthiest industrial manufacturers, called the Business Roundtable. Founded in 1972, the Business Roundtable comprised approximately one hundred corporations, all of which were in the *Fortune* 500 and most of which dealt in heavy industry such as steel, aluminum, chemicals and automotive.

While the US Chamber of Commerce tried to appeal to all corners of the business

world, the Business Roundtable focused on political issues that directly affected big businesses. What made the organization particularly powerful was that its members included only CEOs of those companies, not vice presidents, lawyers or professional lobbyists. When the Roundtable wanted to target a certain politician on a certain vote, it would send powerful corporate leaders—the CEO of Ford, Citibank or AT&T—to the politician's office.

By the late 1970s, the political mobilization of American businesses had begun to redirect the nation's economic policies in ways that pleased conservatives and disappointed progressives. Organizing around a commitment to free market capitalism and an opposition to social regulation, business groups lobbied successfully during a number of key legislative battles that helped stem the tide of liberal policies.

In 1978, corporate lobbyists were decisive in the defeat of legislation spearheaded by consumer activist Ralph Nader to reform the process for regulating consumer protection within the federal government. That same year, the Business Roundtable led the charge against reforms to the National Labor Relations Act, which would have improved labor unions' ability to organize workplaces and created greater oversight and transparency in employee-worker relations. By the 1980s, these groups joined with increasingly active conservative policy groups to promote tax reform, oppose environmental regulations and urge a balanced federal budget.

Despite frequent policy and strategy disagreements among conservative activists and corporate lobbyists, they shared a vital perspective: a dispositional opposition to the liberal state. By lending their organizational, financial and influential strength to legislative politics, business groups helped secure important policy victories for conservatives. 💰

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